ADVERTISING

NMRI

Top 15 Discount Department Store Local Television Advertisers in a Single Market (1982)

Chain	1981	1982	% Change
Gemco, Los Angeles	$1,909,600	$3,238,500	+ 70
Fred Meyer, Portland, Ore.	1,932,800	2,026,900	+ 5
Zodys, Los Angeles	1,786,400	2,003,400	+ 12
Fortunoff, New York	1,025,500	1,998,100	+ 95
Wal-Mart, Dallas	1,315,300	1,754,500	+ 33
Target, Dallas	542,500	1,681,600	+210
FedMart, Los Angeles	1,591,700	1,652,000	+ 4
Target, Houston	612,600	1,642,100	+168
Wal-Mart, St. Louis	1,367,400	1,624,600	+ 19
Richway, Atlanta	1,325,600	1,334,400	+ 1
Wal-Mart, Nashville	413,700	1,259,300	+204
Wal-Mart, Kansas City	699,700	1,172,400	+ 68
Gemco, San Francisco	1,174,800	1,166,700	− 1
Richway, Charlotte	589,600	1,140,900	+ 94
Richway, Miami	—	1,123,100	+ inf.

Top 15 Discount Chains in Local Spot Television Expenditures (1982)

Chain	1981	1982	% Change
Wal-Mart	$7,327,300	$10,756,800	+ 47
Target	6,313,600	8,755,000	+ 39
Gemco	4,337,800	6,321,500	+ 46
T.G. & Y.	4,115,400	4,370,000	+ 6
Zayre	4,821,300	3,661,800	− 24
Richway	1,915,200	3,598,400	+ 88
Hills	3,221,400	3,505,500	+ 9
Woolco	1,431,700	3,472,100	+143
Fred Meyer	2,637,900	2,991,700	+ 13
Zodys	2,103,000	2,884,300	+ 37
FedMart	2,794,400	2,476,900	− 11
Venture	2,302,700	2,231,200	− 3
Meijer's	1,499,000	1,875,900	+ 25
Jefferson/Ward	2,185,800	1,796,600	− 18
Rose's	1,246,600	1,717,900	+ 38

Note: Most co-op activity is credited to the manufacturer by BAR and not to the above retail advertisers.
Source: Television Bureau of Advertising from Broadcast Advertisers Reports data in top 75 markets.

Most Top Single-Market TV Spenders In 1982 Were Located in South, West

NEW YORK—Most of the big single-market television spending by discounters in 1982 was in the South and West.

The annual figures compiled by the Television Bureau of Advertising indicated that heavy TV expenditures in such markets as Los Angeles, and more recently in Dallas and Houston, have bumped such chains as Lechmere and Bradlees in Boston off the list of the top 15 discount store local TV advertisers in a single market.

Los Angeles remained the most competitive of the TV markets with Gemco, Zodys and FedMart all increasing their ad budgets for the year.

Most of FedMart's spending came in the first half of 1982 with the TV budget going to support its going-out-of-business sales.

FedMart's departure isn't likely to relieve any competitive heat in TV advertising during 1983 with Target entering the market.

Target's 210% increase in TV spending in Dallas and 168% increase in Houston are clear indications of the heavy TV support accompanying the Minneapolis-based chain when it enters a new market.

In 1981, Wal-Mart captured two positions among the top 15 advertisers in a single market—for its advertising in St. Louis and Dallas. In 1982, the Bentonville, Ark.-based chain took four of the top 15 slots—for its TV outlets in Dallas, St. Louis, Nashville and Kansas City.

The 'Big Four': Ward Halved TV Outlay

NEW YORK—Montgomery Ward slashed its television advertising budget by 55% last year, according to figures compiled by the Television Bureau of Advertising.

The troubled retailer has been steadily cutting back its TV expense. Last year it dropped network advertising, and local ads were pared down to $9.3 million, less than half of 1981's local TV spending of $20.6 million.

Among the country's top four retailers, Sears and K mart increased their TV spending last year, by 21% and 17% respectively.

K mart's outlay of close to $40 million was characterized by a big jump in network spending. In 1982 the giant discounter spent $32.5 million.

Television Advertising by the 'Big Four'

Chain	1981 Network	1981 Local Spot	1981 Total	1982 Network	1982 Local Spot	1982 Total	% Change
Sears	$73,204,700	$ 9,192,700	$82,993,600	$87,540,100	$12,544,700	$100,084,800	+21
K mart	11,800,100	22,349,500	34,149,600	32,469,800	7,446,500	39,916,300	+17
Penney	25,555,900	10,311,700	35,867,600	23,790,500	11,656,400	35,446,900	− 1
Ward	121,800	20,612,200	20,734,000	—	9,309,800	9,309,800	−55

Note: Most co-op activity is credited to the manufacturer by BAR and not to the above retailers.
Source: Television Bureau of Advertising from Broadcast Advertisers Reports data.

STORE OPERATIONS

NMRI

Discounters, Catalogers Do 40% of Housewares Makers' 1982 Sales

CHICAGO—Discounters/mass merchandisers and catalogers accounted for a whopping 40% of housewares manufacturers' total sales in 1982.

This represented an $8 billion slice of manufacturers' sales of $20 billion last year.

Figures Analyzed

The discounter/mass merchandiser category accounted for a 28% share in 1982, the same as in 1981. Catalogers, however, gained two percentage points in market share with a 12% share in 1982 compared to 10% in 1981.

These are among the findings reported in the 16th annual National Housewares Manufacturer Association research study of the industry.

In terms of market share by retail segment, in 1982 it appeared the catalogers' housewares gain was the department stores' loss.

Last year department stores' market share was 9%, a two-percentage-point drop from their 11% share in 1981.

The housewares market share lineup for the balance of the retail segments was: drug stores, 6%; food stores, 5%; housewares/hardware stores, 5%; variety stores, 3%; buying syndicates, 3%; mail order, 2%; home centers, 2%; all other, 7%.

Another finding of the study was that manufacturers' sales directly to retailers continued to increase. In 1982 industry sales direct to retailers hit an all-time high, accounting for 82% of total sales. In 1981 direct sales were 80% of the business.

Of the 18% of manufacturers' sales to wholesalers, the largest share, 7%, was to housewares/hardware distributors; electric housewares distributors and rack jobbers accounted for 3% each.

The study also reported manufacturers' total dollar sales last year increased by 5%, moving over the $20 billion mark for the first time.

Rising Trend

This increase represented a rate of growth higher than two of the country's leading economic indicators. Gross national product, for instance, rose by just 4%, and the personal income index gained only 3%.

Still, the 5% gain in manufacturers' sales was the smallest one for the industry in the past seven years. Gains for the prior three years were 9% in 1981; 11% in 1980, and 16% in 1979.

% of Housewares Mfrs.' Sales by Retailers

Retail Segment	1976	1981	1982
Discounters/Mass Merchants	20%	28%	28%
Catalog Showrooms	6	10	12
Department Stores	7	11	9
Drug Stores	4	6	6
Food Stores	5	6	5
Housewares/Hardware Stores	5	4	5
Variety Stores	6	5	3
Buying Syndicates	1	1	3
Mail Order	4	2	2
Home Centers	2	2	2
All Other	6	5	7

Source: National Housewares Manufacturers Association

The association's study, conducted by the research firm B. Angell & Associates, also queried the 605 responding housewares manufacturers about price increases.

Housewares prices did go up in 1982, but the increases were smaller, an average of 6.1% compared to 7.5% in 1981. In addition, the number of manufacturers who reported price hikes was smaller. In 1982, 41% increased prices; in 1981, 68% of responding manufacturers increased prices.

For 1983, 56% of manufacturers said they expected to raise prices. The good news for retailers is that the price hikes are anticipated to average only about 5.1%.

1982/83 Housewares Color Preferences

Bath/Closet Accessories	Most Popular '82	Projected '83
White	27%	28%
Almond	25	25
Brown	18	13
Blue	11	16
Pink	11	13
Pastel	8	6
Yellow	6	10
Kitchen Appliances/ Accessories		
Almond	60	54
White	35	41
Yellow	7	7
Brown	6	6
Serving/ Buffet Products		
Almond	25	21
White	22	24
Brown	16	12
Blue	6	9
Yellow	6	8
Clear	6	7
Metallic	6	6
Earth Tones	6	5

Source: National Housewares Manufacturers Association

If you haven't connected with the do-it-yourself market, maybe you need better connections.

Let Sylvania introduce you to our fast-moving line of home electrical supplies.

Here's a line of over 1000 electrical items designed to convince customers that your store is the place to go for everything they need.

The line includes wiring devices, cords, telephone accessories, switch and outlet boxes, load centers and circuit breakers.

Each item comes in high-impact packaging complete with easy-to-follow instructions. And they're all made to our strict standards and backed by the Sylvania reputation for quality.

That's what Sylvania offers your customers. Here's what Sylvania offers you: A full product line that can be tailored to fit your local market, merchandising tools and programs that will bring in the do-it-yourself customers and keep them coming back.

It all adds up to the fast way to move into the fast-moving do-it-yourself electrical market.

SYLVANIA GTE

Hatch Will Speak At AGMC Parley

WASHINGTON—Sen. Orrin Hatch (R-Utah), chairman of the U.S. Senate Labor and Human Resources Committee, will address the Association of General Merchandise Chains' 1983 Personnel/Labor Relations Conference.

It will be held June 15-17 at the Key Bridge Marriott in Arlington, Va.

Timely industry issues, including pre-employment selection techniques, performance appraisal, employee discipline and counseling procedures, and age discrimination, will be discussed.

Conference participation is open to nonmembers of AGMC and is available on a first-come, first-serve basis. To register or obtain more information, contact the AGMC Meetings Department at 202-785-2060.

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CES Section With Supplement On Home Computers: Pp. 31-65

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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The Sky's the Limit

Direct satellite TV receivers are selling in selected Wal-Mart stores around the country. The units, including a 10-ft. dish and receiver, are priced at $2,495. *(DSN photo)*

Wal-Mart Leads Chains In Overall 1982 Results

Nationwide DSN Report

Wal-Mart had the best overall performance—including the greatest increase in sales and net income—among major publicly held discounters, catalogers and specialty retailers last year.

The discount industry's No. 2 chain's results in 1982 included boosting gross margins, cutting S.G.&A. and moderating the increases in inventory levels used to fuel its overall growth.

Other discounters' performances were more erratic. Industry giant K mart, for example, recorded flat sales but a 6% increase in gross margins and a 3.9% boost in S.G.&A. Mars, whose total sales of $25.3 million were less than K mart's $43.1 million in interest expenses alone, had a greater jump in gross margins of 6.9% and trimmed S.G.&A. by 1.9%.

Catalogers and specialty retailers, on the whole, showed more consistent, positive results, according to a *DSN* study of the annual reports of 25 companies, 16 of which contained complete financial statistics on discount, catalog or specialty chains.

Cataloger Service Merchandise and toy specialty retailer Toys "R" Us vied for the top spot among these merchants.

The cataloger's volume jumped 16.4% while net income exploded 36.8%; the toy chain's sales leaped 33% and net earnings increased 31.2%.

Limited results were available for nine discounters which are part of larger retailing conglomerates.

These chains tend to be upscale discounters whose focus on apparel produced strong gains in operating income, the only figure reported by the parent companies that gave any indication of the profit performance of these discounters.

Caldor was the overall leader among these nine with a 56.2% jump in sales and a 41.6% increase in operating income. Gee Bee, whose merchandise focus is hard lines rather than apparel, had the greatest gain in operating earnings, 82.8%, fol-

(Continued on page 82)

Harold Frank
president, Bradlees

Carl Bennett
chairman and ceo, Caldor

Makers Hit RPM-Damage Award

By KEN RANKIN

WASHINGTON—Lobbyists for the nation's manufacturers asked the Supreme Court to establish clear-cut new ground rules under which suppliers will be able to cut off sales to discounters without automatically risking resale price-fixing charges.

In a new "friend of the court" brief filed late last month by the National Association of Manufacturers, lawyers for the supplier group warned that unless the treble-damage resale price maintenance (RPM) award against Monsanto Chemical is reversed, manufacturers may be discouraged from terminating sales to many price-cutting retailers and distributors.

That case attracted widespread concern within the discount store industry earlier this year when Reagan Administration antitrust officials intervened on behalf of Monsanto andd urged the court to strike down the 70-year-old *per se* ban on manufacturer resale price fixing.

NAM, which represents hundreds of leading discount industry suppliers, stopped short of endorsing the Justice Department's request for a ruling that RPM may no longer be treated as a *per se* or automatic violation of the Federal antitrust laws.

But, the manufacturer group did call for new restrictions on the discretion of Federal courts to award damages against suppliers who cut off sales to discount retailers.

The original Federal ruling against Monsanto stemmed from the manufacturer's termination of a price-cutting herbicide dealer following complaints about the firm's discounting from competing distributors.

Monsanto's contention that

(Continued on page 86)

Pertschuk Carley Frank

Is Justice Dept. Enforcing the Ban On RPM? Panelists Disagree

NEW ORLEANS—Is the Justice Department failing to enforce the law that prohibits resale price maintenance (RPM)?

No, said Deputy Assistant U.S. Attorney General Abbott Lipsky.

Yes, said Federal Trade Commissioner Michael Pertschuk.

Lipsky, backed by FTC general counsel John Carley, told a session at the National Mass Retailing Institute's convention here: "We do recognize that agreements to engage in RPM

(Continued on page 86)

DSN's SPARC Banquet To Honor Frank, Bennett

NEW YORK—Harold Frank, president of Bradlees, has been named Discounter of the Year, and Carl Bennett, chairman of the board of Caldor, has been elected to the Discounting Hall of Fame.

Both men will be honored at *DSN*'s annual SPARC (Supplier Performance Award by Retail Category) banquet to be held Sunday, Aug. 14, at the Hyatt Regency Hotel in Chicago.

Frank and Bennett were among eight discounters (four in each category) nominated for the awards by the *Discount Store News* editorial staff. Actual voting was open to the industry and was done on a write-in basis.

Fifty-four SPARC awards will also be handed out at the banquet.

(Continued on page 82)

Digest June 13, 1983

CONSUMER ELECTRONICS

- **Home computers have been grouped in one area at the summer** Consumer Electronics Show. (See CES section, pp. 31-33, 63-65.)

HOME COMPUTERS

- **Discounters are bullish on low-end home computers, despite** the hectic marketplace. (See supplement, pp. 35-58.)

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HOME COMPUTERS

Supplement

Phones Are Buzzword at Radio Shack

Radio Shack's new-store juggernaut continues with the test of a telephone specialty chain. The category remains part of the mix in existing stores, such as this one in New York City.
(DSN photo)

Home Computer Market

Item	1977	1981	1985	1990	1995
Households (millions)	74.1	80.3	88.1	95.9	102.0
Home Computers/per 1,000 households	0.3	4.4	23.0	83.0	196.0
TV's in Use (millions)	131.5	152.8	174.0	197.0	219.0
Home Computers/per 1,000 TV's	0.2	2.3	11.0	41.0	91.0
Home Computers in Use (thousands)	22.0	350.0	2,000.0	8,000.0	20,000.0
Home Computer Sales (thousands of units)	14.2	150.0	680.0	1,600.0	3,300.0
Home Computer Sales (millions $)	$ 29.3	$205.0	$ 612.0	$1,280.0	$ 2,300.0

Source: Predicasts Inc., Cleveland.

Computer Is Now Everyday Tool

Nationwide DSN Report

A nursery school in Wayne, N.J., teaches its 3- and 4-year-old students the alphabet and basic arithmetic on a home computer.

Thousands of elementary and secondary schools in the United States now maintain home computers for course instruction just as they've maintained sewing machines and drill presses in years past.

The state of Pennsylvania has approved legislation requiring children born after 1975 to receive computer science courses in school before they may graduate from high school.

Students at Carnegie-Mellon University are required to purchase home computers to keep in their dormitories or rooms at home at the time they register for their first class as freshmen.

These are but a few examples of how home computers become an institutional part of consumers' everyday lives.

Together, they are a compelling reason for some retailers to enter and remain in the home computer market.

Market forecasts indicate that by the mid-1990's home computers will be in 1 out of every 5 households in the United States—accounting for more than 20 million units.

Predicasts, a Cleveland-based business research firm, estimates that annual sales of home computers will pass $2.3 billion by 1995.

Unit sales from 1981 to 1985, according to the report, will jump 450%.

Promising Area

"It's been a phenomenal growth rate if you consider that just a half-per cent of the households had a home computer in 1981," said Neil DiGeronimo, manager of hi-tech research for Predicasts. "Our research also shows that by the mid-90's about 10% of the home TVs will have computers built right into them."

DiGeronimo added that the development of other technologies, such as videotex, will enhance the use of home computers, despite some early consumer apprehension.

"A lot of people who are buying the home computers are afraid of being socially and technologically obsolesced," he said. "If they see others who understand computers and they don't, it scares them."

Another consideration is the desire of parents to be sure that their children can effectively compete in the developing computer age, by taking steps now to assure their computer literacy, the research suggested.

Further stimulating sales of the units will be continuing price reductions, according to the study. These will encourage more people to purchase the units.

However, an obstacle still to be overcome is consumer resistance.

"There is a certain amount of apprehension that consumers feel in relation to the home computers," DiGeronimo said. "But, it can usually be overcome by allowing people to physically sit down with a computer to try using it."

Soft-War Declared!

Domination of software market imminent. The offensive is on. The world's leading independent producer of video games and creator of the most respected educational software is on the attack with a truly invincible line of software destined to capture your customer's dollar.

It includes:

- Arcade hits like WIZARD OF WOR™*, EYES™**, GORF™* and many, many more.
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Wal-Mart Tops Chains in Overall 1982 Performance

Chain	Sales (Millions) 1981	1982	% Change	Gross Margin (% of Sales) 1981	1982	% Change	S.G. & A. (% of Sales) 1981	1982	% Change	Interest Expense (Millions) 1981	1982	% Change	Net Income (Millions) 1981	% of Sales	1982	% of Sales	% Change	Inventory (Millions) 1981	% of Sales	1982	% of Sales
Best Products	$ 1,109.1	$ 1,581.7	+42.7	24.1	24.6	+2.1	16.4	17.0	+3.7	N.A.	$29.9	N.A.	$ 20.0	1.8	$ 28.8	1.8	+44.2	N.A.	N.A.	$547.7	34.6
Cook United	647.7	646.0	− 0.3	25.0	25.1	+0.8	21.2	21.3	+0.5	($14.7)	(15.8)	(+ 7.0)	(3.3)	—	(6.4)	—	(+96.3)	$147.7	$22.8	140.1	21.7
Gaylords	118.3	114.5	− 3.2	22.9	22.8	−0.4	20.9	21.1	+1.0	1.1	0.9	− 20.6	0.5	0.4	0.08	0.1	−82.1	24.3	22.4	25.6	20.6
Grand Auto	120.0	122.2	+ 1.8	33.1	33.7	+1.8	24.6	24.2	−1.6	2.6	2.0	− 21.5	2.6	2.2	3.5	2.9	+34.0	21.2	17.7	21.6	17.8
Heck's	321.3	399.3	+24.3	25.8	24.8	−3.9	21.1	20.6	−2.4	8.4	10.1	+ 20.0	13.4	4.2	11.1	2.8	−16.6	75.6	23.5	98.5	24.7
Jamesway	296.2	332.5	+12.3	29.0	30.9	+6.6	25.7	26.2	+1.9	3.2	3.4	+ 6.3	4.2	1.4	6.8	2.0	+60.2	55.4	18.7	65.2	19.6
K mart	16,527.0	16,772.2	+ 1.5	25.2	26.7	+6.0	20.7	21.5	+3.9	69.2	43.1	− 37.7	215.7	1.3	256.9	1.5	+19.1	3,135.1	19.0	3,294.9	19.6
Mars	23.1	25.3	+ 9.3	29.0	31.0	+6.9	31.8	31.2	−1.9	0.2	0.2	—	0.3	1.5	0.4	1.7	+33.3	4.2	18.0	4.7	18.6
Oshman's	216.4	247.3	+14.2	40.0	39.2	−2.0	33.2	33.9	+2.1	2.3	2.5	+ 8.0	7.6	3.5	7.1	2.9	− 6.1	55.2	25.5	58.0	23.5
Payless Northwest	758.5	784.7	+ 3.5	27.4	28.4	+3.6	20.6	21.3	+3.4	15.2	12.7	− 16.4	16.6	2.2	19.4	2.5	+16.4	148.6	19.6	148.9	19.0
Pep Boys	233.5	265.4	+13.7	33.7	33.7	—	24.7	24.5	+0.8	0.2	0.5	+126.7	11.2	4.8	12.1	4.6	+ 8.5	33.4	14.3	36.8	13.9
Roses	594.8	661.9	+11.3	22.8	23.3	+2.2	19.4	19.2	−1.0	2.9	2.4	− 17.2	8.2	1.4	11.6	1.7	+40.3	98.2	16.5	108.2	16.3
Service Merchandise	1,027.1	1,195.3	+16.4	21.6	22.8	+5.6	13.6	14.7	+1.1	19.4	15.3	− 21.2	23.1	2.2	31.6	2.6	+36.8	240.7	24.4	254.3	21.3
Toys "R" Us	783.3	1,041.7	+33.0	33.3	32.3	−3.1	21.3	19.8	−7.0	4.1	4.3	+ 4.9	48.9	6.2	64.2	6.2	+31.2	140.7	18.0	192.0	18.4
Wal-Mart	2,445.0	3,376.3	+38.1	26.9	27.2	+1.1	20.2	20.1	−0.5	16.1	20.3	+ 26.4	82.8	3.4	124.1	3.7	+49.7	490.6	20.1	555.7	16.5
H. J. Wilson	402.9	458.2	+13.7	34.0	31.0	−8.8	25.6	25.0	−2.3	11.3	16.4	+ 45.0	12.7	3.2	5.6	1.2	−56.1	170.0	42.2	164.6	35.9

Dollar figures are rounded off. Per cent figures are calculated from full dollar amounts. N.A.—Not available.

Source: DSN *research.*

Editor's Note: The following amplifies the above figures for some of the listed chains:

Best Products—1982 figures include results from Basco and Modern Merchandising from dates of their acquisition, and provisions for subsequent closing of eight Bascos. Results from Creative Merchandising, due to be divested, aren't included. Figures for 1981 are pro forma due to change in Best's fiscal year.

Cook United—Results are for continuing operations only.

Gaylords—Corporate results for discount stores and catalog showrooms are given, including provisions for stores closed during both years.

Heck's—Corporate results are given, with discount stores accounting for 88.1% of sales and 92.5% of operating profit in 1982, and 84.3% of sales and 81.9% of operating profit in 1981.

K mart—Total corporate results are given except that SG&A doesn't include advertising expenses and income is just from retail operations.

Oshman's—Corporate results are given, for Oshman's and Abercrombie & Fitch chains.

Roses—Corporate results are given for 185 Roses and 53 H.P. Rose stores.

Service Merchandise—Results include those of Sam Solomon since date of acquisition in April 1982. Inventories are based on FIFO.

Wal-Mart—Results include those of 92 Kuhn's Big K stores acquired in August 1981.

H. J. Wilson—Results include those of Standard Sales acquired in July 1981, and provision for subsequent closing of four units.

'82 Operating Incomes Jump

Chain	Sales (Millions) 1981	1982	% Change	Operating Income (Millions) 1981	1982	% Change
Caldor	$ 592.4	$ 925.2	+56.2	$41.5	$58.8	+ 41.6
Gee Bee	118.9	136.8	+15.1	3.9	7.1	+ 82.8
Gemco	1,869.5	2,113.5	+13.1	31.4	36.9	+ 17.5
Gold Circle	397.3	501.3	+26.2	4.2	23.8	+466.6
Richway	266.2	321.6	+20.8			
Target	2,054.3	2,412.4	+17.4	108.7	150.1	+ 38.1
Venture	611.5	680.3	+11.3	16.8	30.0	+ 79.1
Zayre	1,433.3	1,616.0	+12.7	41.2	55.1	+ 33.6
Zodys	310.0	355.4	+14.6	34.7	16.0	− 54.0

Source: DSN *research.*

Wal-Mart

(Continued from page 1)

lowed by apparel-oriented Venture with a 79.1% boost in operating income.

The financial problems at Zodys, whose parent HRT Industries is already in Chapter XI, and at Cook United, which has sold off a number of nonretailing operations, showed up in the annual reports.

Zodys had a 14.6% sales increase, but its operating income plunged 54%, while Cook United's overall sales dropped 0.3% and its loss increased 96.3%.

Despite the different retailing formats and sales and earnings among discounters, catalogers and specialty chains, there was only limited differences in net income as a percentage of sales, a key measurement often used to gauge the bottom line profitability of a retailer.

The measurement ranged between 1.5% and 2% for five of 16 chains studied, with eight above this range and three below.

Toys "R" Us was the leader with 6.2%, followed by Pep Boys at 4.8% and Wal-Mart at 3.7%. The others above 2% were Grand Auto and Oshman's, each at 2.9%; Heck's, 2.8%; Service Merchandise, 2.6%, and Payless Northwest, 2.5%.

Those under 1.5% included H. J. Wilson, 1.2%, a 56.1% drop from its previous 3.2% figure; Gaylords, at 0.1%, which was a 2.1% increase, and Cook United, which reported a loss.

As for the nine chains with only limited reported results, the leaders in operating income as a percentage of sales were Caldor, with 6.4%, and Target, 6.2%. Gemco had the lowest figure, 1.7%, the same as the year before.

Zodys, despite its parent's bankruptcy, had a 4.5% figure, but this was sharply down from the 11.2% reported for the previous year.

SPARC

(Continued from page 1)

The nominations listed below are the result of a first-round ballot. Votes came from buyers polled at the top 80 discount store chains.

The final ballots—which will decide first-, second- and third-place winners—will be cast by chain general merchandise managers.

In most of the 18 categories, three suppliers will vie for the top spot; in two cases—stationery and photo—ties resulted and four vendors were nominated. Vendors nominated are:

AUTOMOTIVE: Kraco, Turtle Wax, Union Carbide.

CHILDREN'S APPAREL: Dobie Originals, Garan, Wundies.

CONSUMABLES: E. J. Brach, Hershey, M/M Mars.

CONSUMER ELECTRONICS: Atari, Coleco, General Electric.

DOMESTICS: Cannon, J. P. Stevens, St. Mary's.

HARDWARE (INCLUDING PAINT): Black & Decker, Hirsh, Stanley.

HEALTH & BEAUTY AIDS: Gillette, Goody, Procter & Gamble.

HOUSEWARES (NON-ELECTRICS) INCLUDING GLASSWARE: Anchor Hocking, Corning, Rubbermaid.

JEWELRY, WATCHES BOUTIQUE ITEMS: KMGA, R. N. Koch, Timex.

LAWN & GARDEN: Colorite, Ortho, Structo.

LADIES' APPAREL: Gitano, International Playtex, Land N' Sea.

MEN'S APPAREL: Union Underware, Williamson Dickie, Wrangler.

PERSONAL CARE APPLIANCES: Clairol, Conair, Norelco.

PHOTOGRAPHY: Canon, Kodak, Minolta, Polaroid.

SMALL ELECTRICS: General Electric, Norelco, Proctor Silex.

SPORTING GOODS: Academy Broadway, Coleman, Franklin.

STATIONERY: Ambassador, Gibson (Buzza), Gillette (Papermate), Mead.

TOYS: Fisher-Price, Kenner, Mattel.

Earnings

(Continued from page 3)

$157 million. Harvin attributed same-store sales gains of 10% to higher inventory levels, a better in-stock position and a more favorable economic climate.

Record-high earnings for the quarter were also reported by Jamesway. Earnings for the chain of $862,000 compared with a loss of $216,000 a year earlier. Sales for the quarter rose 19% to $63.6 million.

Jamesway chairman Herbert Fisher pointed to same-store sales gains of 7% as a major reason for the earnings rise.

At Wal-Mart, earnings rose by 51% to $27.5 million, on a 28% sales rise to $854.7 million for the quarter.

May's earnings rose by 76.5% to $20.3 million from $11.5 million for the first quarter of 1982. Sales grew by 15.3% to a record $846.8 million vs. $734 million the previous year.

At Venture Stores, May's discount operation, quarterly sales rose by 13.7%, with an 8.6% sales gain on a store-for-store basis.

Federated reported its highest-ever earnings of $43 million for the quarter, representing a 47.6% rise over the $28.1 million for the year-earlier period. Sales were up by 13.7%, reaching $1.8 billion for the quarter. (Federated doesn't break out figures for its Richway and Gold Circle discount operations.)

At Dayton Hudson strong sales for the quarter offset the company's high level of expenses incurred by the opening of 34 Target stores and the launching of Plums. Earnings for continuing operations rose 31.5% to $21.7 million compared to $16.4 million for 1982. Sales rose 22% to $1.4 billion.

Target's sales for the quarter rose 27% to $611 million, with a per-store increase of 8%. Mervyn's sales increased by 25% to $318 million with a 12% per-store sales gain. Dayton Hudson's specialty division, which includes Lechmere, Plums and B. Dalton Booksellers chalked up a 25% sales increase to $139 million and a per-store sales hike of 18%.

Although sales at McKeesport, Pa.-based G. C. Murphy Co. dropped 3.5% to $188 million for the quarter, earnings increased 27-fold to $1.7 million from $63,000 during the first three months of fiscal 1982.

After the closing of its Woolco chain, F. W. Woolworth Co. is well-positioned to take advantage of any opportunities arising from the economic recovery, according to chairman and ceo John Lynn.

The company reported a $1 million net income from continuing operations compared to a loss of $5 million a year earlier. (The 1982 first-quarter loss, including an after-tax loss of $11 million from discontinuing operations, totaled $16 million.)

Woolworth's sales rose 4.7% to $1.1 billion for the quarter vs. $1 billion in 1982

Gold Circle

(Continued from page 3)

signer and branded merchandise.

Rubin noted that since the launch of the program Gold Circle has been able to solidify relationships with many branded apparel manufacturers. For instance, when the program was launched in 1982, about 30% of the merchandise was purchased directly from manufacturers, with 70% from jobbers.

Since then the ratio changed to 50%/50% and it currently stands at 70% purchased direct/30% from jobbers, a total reversal in less than a year.

Discussing some of the weak spots in the program, Rubin said one of them was advertising it. Gold Circle tried institutional radio and ROP "with no significant results." With a limited, 11-unit test, the chain wasn't able to use its strongest ad vehicle—its weekly tabloid.

Rubin said that in the future the Brands for Less program would shift to a "narrower and deeper" merchandise approach within a more limited number of classifications. It will cut back on the slow-selling better and designer labels while beefing up the moderate-priced offerings.

This strategy is intended to eliminate the "fragmented assortments" which resulted in high markdowns, and build up the sales-per-square-foot results.

Rubin said the program, so far, hadn't reached Gold Circle's sales-per-square-foot goals of $160-$185. Gross margins on the merchandise, he said, were running at about 20%.

Despite some problems Gold Circle management remains convinced of the viability of the Famous Brands for Less concept. "We achieved strong sales in weak soft line stores," said Rubin. "We're encouraging our people in soft lines areas other than women's sportswear to continue pursuing the brands."

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